

IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN SECTION OF
TENNESSEE

C&W, LLP, WENDY ROSE &
CHERYL ROBINSON,

Plaintiffs,

v.

Civil Action No.: _____
JURY DEMANDED

BURGERIM GROUP, INC.,
MICHAEL BOHBUT, a/k/a MICHAEL BUCHBOT, and
JUAN MUNOZ, and other JOHN and JANE DOES not yet
known,

Defendants.

COMPLAINT

Comes the Plaintiff, by and through under-signed counsel and for its cause of action against the Defendants state the following:

INTRODUCTORY STATEMENT

This causes arises out of tortious interference of contract. Burgerim Group USA, Inc. ("Burgerim Group USA") is a fast/casual franchise that serves mini burgers, French fries, shakes, and various other food and drink items. Cheryl Robinson owns Robinson and Associates (Collectively "Robinson") and was referred franchisees by Burgerim Group solely owned by Oren Loni since 2016 to help with financing. On March 1, 2019, Robinson was given 412 franchise files from Burgerim Group USA to see if they qualified for SBA loans and by April 2019 Robinson was able to get 168 pre-qualified for SBA Loans. Wendy Rose ("Rose") is a General Contractor and owns Axis Dynamics Inc. and had built or helped build several of the Franchise locations. Rose also was hired as a consultant in 2018 to help with the construction department and help

come up with ideas to make the franchisees more profitable.¹ Burgerim Group USA began having financial difficulties in early 2019 and was not able to continue to pay Rose, however, Rose continued to help. On February 29th, 2019, Robinson, as a third party, took over the finance department which was previously ran by three full-time salaried employees that were being paid in excess of over \$300,000 annually. In September of 2019, Oren Loni approached both Robinson and Rose to continue running Burgerim Group USA's finance, architect and construction departments and eventually the real estate department. These departments previously employed eight full time employees being paid in excess of over \$800,000 annually. At the time there were 420 franchisees in various stages of trying to operate their franchise including 168 in leasing, architect, and or in construction. To conduct the services requested by Burgerim Group USA, Robinson and Rose formed C&W Management LLP ("C&W"). In return, due to Burgerim Group USA's purported inability to pay for these services, C&W instead agreed to take rebates² as payment that were being paid to Burgerim Group USA, excluding the rebates paid by Red Bull, Coca-Cola, and Neico, which would continue to be paid to Burgerim Group USA. C&W also was to renegotiate the contracts for equipment, food, beer, etc. to lower costs and increase profitability for the franchisees.

C&W has put in hundreds of hours of work per week for Burgerim Group USA and its franchisees. By way of example, C&W was able to immediately reach out to several franchisees that had bad contractors previously referred by Burgerim Group USA, found qualified contractors and was able to get the franchises open and operating. C&W was also able to decrease the cost of fixtures and equipment ("F&E") by over \$40,000 per franchisee for most of the new builds. Then on December 17th, 2019 Burgerim USA's phones and emails were turned off completely, the office

¹ F'real Milkshake Solution and adding a third fryer were just some ideas that were implemented.

² Rebates are payments to the franchisor based on the purchases made by its franchisees from suppliers.

was closed and C&W became the only point of contact for even the franchisees already open. Even today, Robinson and Rose are and have been the only point of contact for some of the franchisees for over a year. In November 2019, Oren Loni also brought back Tom Merion (“Merion”), a former CEO of Burgerim. On December 6, 2019, Merion met with Robinson at Burgerim USA’s previous California Headquarters and told her that Burgerim would no longer need C&W. Michele Bohbut, alias, Buchbut, (collectively “Bohbut”) was also at the meeting. Upon information and belief, Oren Loni left the United States at the end of November 2019 and has not returned. On December 12, 2019, by the way of messenger app, Oren Loni told Rose that Merion could not terminate his contract with C&W and that he was going to fire Merion. Rose was told by both Oren Loni and Bohbut that Bohbut would not be interfering with the contract but would be helping with the bankruptcy. In a letter dated December 18, 2019, Bohbut claimed he was Burgerim Group USA’s Chief Restructuring Officer and Burgerim USA was going to file Chapter 11 Bankruptcy. This letter only made it to a small number of the Franchisees.³ Meanwhile, C&W continued to work without payment. Then sometime in late January 2019, Bohbut purported that he was the new CEO and had purchased 51% of Burgerim Group USA and it did not have to file bankruptcy and started demanding royalties from Burgerim Group USA franchisees and rebates from Burgerim Group USA’s vendors despite Bohbut being aware of the C&W contract. Bohbut had no corporate documentation to back up his claim that he had purchased 51% of Burgerim Group USA. In fact, Bohbut met with several Burgerim Group USA franchisees on January 28th, 2020 in Queens New York and claimed he was in fact **not** the CEO Of Burgerim Group USA and was not affiliated with Oren Loni but was the CEO of Burgerim Group⁴ a different

³ It appears when the emails were shut of that Bohbut had no way to contact all of the Franchisees. Also, all the FDDs were left at the old corporate office of Burgerim USA.

⁴ Burgerim Group Inc is a Delaware Corporation formed and owned 100% by Loni. On September 12, 2019 Loni registered it as Foreign Corporation doing business in California.

entity that was not associated with Oren Loni. At this same meeting, Bohbut also claimed that Burgerim Group USA would not have to go through bankruptcy and although he was not the current CEO he would be by the following week and he would be doing an “ABC” also known as Assignment of Beneficiary Creditor. Bohbut also boasted that he had met with all the franchisees that were not yet built or in construction and placed them on a 30-40-month payment plan. Contrary to Bohbut’s claims, Burgerim Group is owned 100% by Oren Loni and does not have contracts with the franchisees nor any vendors.

Bohbut also hired Defendant, Juan Munoz (“Munoz”), and several other employees that were formerly Burgerim Group USA employees. Bohbut, Munoz and others not known at this time, started calling franchisees and vendors regarding C&W telling them that C&W was no longer associated with Burgerim Group USA and according to vendors and franchisees, Bohbut and Munoz made several derogatory statements regarding Robinson, Rose and C&W during these phone calls. During the calls, Bohbut and Munoz also demanded rebates be paid to them that were by contract owed to C&W. C&W are due these rebates by law and Bohbut nor Munoz have standing to either terminate C&W’s contract or demand that C&W’s rebates be paid to them. Bohbut and Munoz continue to intentionally and maliciously interfere with C&W’s contract with Burgerim Group USA causing C&W at least \$500,000 in damages thus far.

PARTIES

1. Plaintiff C&W is a limited liability partnership formed by Wendy Rose and Cheryl Robinson. C&W has its headquarters in Knox County, Knoxville, Tennessee.
2. Plaintiff Rose is the managing partner of C&W and is a resident of Knox County, Tennessee.
3. Plaintiff Robinson is a partner of C&W and is a resident of Maricopa County,

Arizona.

4. Defendant Munoz is a resident of Georgia.
5. Defendant Burgerim Group, Inc. is a Delaware corporation and is owned by Oren Loni.
6. Defendant Bohbut is a resident of California.

JURISDICTION AND VENUE

7. Jurisdiction and Venue is proper before this Honorable Court as all Plaintiffs are diverse from all Defendants pursuant to 28 U.S.C. 1332. The amount in controversy in this case exceeds \$75,000.

FACTS GIVING RISE TO CAUSE OF ACTION

8. That Burgerim Group USA is a California Company owned 100% by Oren Loni. See Exhibit A.
9. That Burgerim Group USA is a fast/casual franchise offering a variety of slider type burgers, French fries, chicken wings, shakes and other food and drink items.
10. The franchisees were required to sign a Franchise Disclosure Document (“FDD”) with Burgerim Group USA in order to begin the process of building and operating their restaurant.
11. As a significant part of its revenue stream, Burgerim Group USA receives rebates from multiple franchise suppliers who the franchisees in turn purchase food, products, equipment, etc. from.
12. That Rose and Robinson have worked for Burgerim Group USA and have helped franchisees since 2018 for the most part without payment for their services.
13. That in February 2019, Burgerim Group USA started having financial difficulties and by the summer was considering bankruptcy.

14. That in September 2019, Oren Loni approached both Robinson and Rose to continue running Burgerim Group USA's finance, architect and construction and later the real estate department. These departments previously employed eight full time employees who were being paid in excess of \$800,000 annually.
15. Robinson and Rose formed C&W to perform these services requested by Oren Loni and agreed to take the rebates which Burgerim Group USA would have received as payment for its services with exception of Red Bull, Coca-Cola, and Neico, which would remain with Burgerim Group USA. See Exhibit B.
16. On November 22, 2019, Oren Loni on behalf of Burgerim Group USA wrote an email to Rose that he agreed to the contract which he drafted and was included as an attachment to the email. Rose and Robinson agreed with the Burgerim Group USA contract and immediately began performance of the contract.
17. At all relevant times hereto, a valid contract exists between C&W, Robinson, Rose, Burgerim USA and its sole owner Oren Loni. In said contract, C&W for its services was to be compensated by rights to **all** rebates paid to Burgerim with exception of Coca-Cola, Neico and Red Bull and would have complete control over financing and construction and that no one would be able to interfere with C&W's contract or decisions.
18. In performance of the contract, C&W has put in hundreds of hours of work per week including during family vacations and holidays. That C&W was and continues to be the sole contact for numerous franchisees.

19. On September 12, 2019, Oren Loni formed Burgerim Group, Inc. in Delaware and registered it in California to do business as a Foreign Corporation. See Collective Exhibit C.
20. In November 2019, prior to leaving the United States, Oren Loni, rehired Tom Merion as CEO of Burgerim Group USA.
21. On December 6, 2019, Robinson met with Tom Merion in California and was told that Burgerim Group USA did not want to use C&W despite knowing that Oren Loni had a contract with C&W. Defendant Bohbut was also at the meeting and also had knowledge of the C&W contract.
22. On December 12, 2019, Oren Loni contacted Rose via a cell phone messenger app and said that Tom Merion was not correct and that he was going to get rid of Tom Merion.
23. Rose and Robinson were told by Oren Loni that Bohbut would not interfere with the C&W contract and that he was only there to help with the purported Burgerim Group USA Chapter 11 Bankruptcy filing.
24. On December 17, 2019, Burgerim Group USA turned off all its office phones, and emails and closed the headquarters in Los Angeles, California and Rose and Robinson became the sole contact for all of its franchisees.
25. On December 18, 2019, Burgerim Group USA sent a letter to its franchisees that Bohbut had been hired as its Chief Restructuring Officer. See Exhibit D. In the letter there was an email for Bohbut but the email did not work and it bounced back when franchisees tried to contact Bohbut.
26. In early January 2020, Bohbut hired several employees that were previously employed by Burgerim Group USA including Defendant Munoz.

27. That despite Defendants Bohbut and Munoz being aware of C&W's contract they started calling vendors and demanding the rebates be paid to them that were legally owed to C&W. Bohbut and Munoz also immediately started to renegotiate contracts that C&W were to have control over.
28. On January 28th, 2020, Bohbut was asked if he was CEO of Burgerim Group USA by franchisees in a meeting in New York and he stated that he was not the CEO of Burgerim Group USA but that he was CEO of Defendant Burgerim Group which he stated was a different entity from the previous entity – Burgerim Group USA. Bohbut also stated at the meeting that Burgerim USA would not be filing bankruptcy but instead would be doing an “ABC” or an Assignment of Benefits. See Exhibit E.
29. Defendants Burgerim Group, Bohbut and Munoz have no contracts with any of Burgerim Group USA's franchisees or the vendors.
30. That upon information and belief, and at this time, it is unknown if Oren Loni is aware of the tortuous interference of C&W's contract by the Defendants herein and more discovery will be needed in regard to both Oren Loni and Burgerim Group to ascertain same.
31. Upon information and belief, Defendant Bohbut received approximately \$65,000.00 from Superior Packaging Solutions, which was owed to C&W pursuant to its contract.
32. Upon information and belief, Bohbut has received payments from US Foods which were owed to C&W pursuant to its contract.
33. Upon information and belief, Defendant Bohbut received over \$40,000 from Klosterman Baking, which was owed to C&W pursuant to its contract.

34. Upon information and belief, Defendant Bohbut is also receiving direct deposits of approximately \$13,000.00 per quarter from Sprite and Dr. Pepper. These rebates are also owed to C&W pursuant to its contract.
35. Upon information and belief, Defendants Bohbut and Munoz are depositing the rebates owed to C&W in an account in the name of Burgerim Group and not Burgerim Group USA.
36. Upon information and belief, Defendant Munoz contacted F'real Shake Solution⁵ on February 3, 2020 and stated that they were no longer working with C&W and demanded payment be made to Burgerim Group which is legally owed to C&W.
37. Burgerim USA, Inc. has over 50 vendors and it is unknown at the time of filing of this complaint how much was collected by the Defendants herein that is legally owed to C&W and therefore further discovery will be needed to ascertain the exact amount. Notwithstanding the aforementioned the amount in controversy herein is far greater than \$75,000.

COUNT I – TORTIOUS INTERFERENCE OF CONTRACT AGAINST ALL DEFENDANTS

38. Plaintiffs incorporate the averments set forth above in support of Count I.
39. At all times material hereto, Plaintiffs had a contract which provided for payment by way of all rebates owed to Burgerim USA, Inc. for its services with exception of rebates from Coca-Cola, Neico and Red Bull.
40. Knowing that such a contract existed, Defendants herein set out on a campaign to tortuously interfere with Plaintiffs contract with Burgerim USA, Inc. including but not

⁵ F'real is a company that provides milkshake products to restaurants. Rose has personally signed up numerous Burgerim franchisees with F'real, however, Plaintiffs have been paid nothing.

limited to, calling vendors and telling them not to make payments to Plaintiffs but to make the payments directly to the Defendants.

41. Defendants motive was and is to direct payment of rebates they have no legal right to be paid to the detriment of the Plaintiffs.

42. As a result of Defendants tortious conduct Plaintiffs have suffered considerable damages.

COUNT II – CIVIL CONSPIRACY AGAINST DEFENDANTS BOHBUT AND MUNOZ AS WELL AS OTHERS NOT YET KNOW

43. Plaintiffs incorporate the averments set forth above in support of Count II.

44. Defendants Bohbut, Munoz and others not yet known concocted a commons design to take rebate payments legally owed to the Plaintiffs to not only interfere with Plaintiffs' contract but to steal rebate payments owed to the Plaintiffs for their own monetary benefit.

45. Defendants did so by calling and or emailing various vendors the rebates of which would be owed falsely advising the vendors that they were in control of Burgerim Group USA, Inc. and demanding they not work with or pay the Plaintiffs.

46. Defendants furthered their tortious conduct to conspire against Plaintiffs by advising that they were owners of Burgerim Group, Inc. when it is owned solely by Oren Loni.

47. As a result of the conspiracy, Plaintiffs have suffered considerable damages.

WHEREFORE, PREMISES CONSIDERED, PLAINTIFFS PRAYS FOR A JURY TO TRY THIS CAUSE AND FOR AN AWARDED OF DAMAGES NOT LESS THAN \$500,000 BOTH JOINTLY AND SEVERALLY AGAINST ALL DEFENDANTS, FOR AN AWARD OF PUNITIVE DAMAGES AGAINST ALL DEFENDANTS AND FOR DISCRETIONARY COSTS AND EXPENSES TO BE AWARDED AGAINST ALL DEFENDANTS.

Respectfully submitted,

s/Darren V. Berg

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